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C-O-N-P-I-D-E-N-T-I-A-L

FOREIGN DOCUMENTS DIVISION

FDD Notice
No. 59-2

9 June 1959

SUBJECT: New Report "External Economic Relations of Bloc Countries"

1. This will be an important Division-wide report covering a field not reported elsewhere. The general scope and content is set forth in the attached outline. In accord with FDD practice the specific adjustments of detail will be developed through liaison with our consumer analysts, and the general guidance of the Exploitation Committee.

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2. Division report coordinator is [redacted] Services and Management Section, USSR Branch (ext. 3405, Ray 2432), under the general guidance [redacted] Chief of the Section.

3. Branch coordinators are designated as follows:

Eastern Europe
Communist China
Non-Com Far East
Western World

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4. The current FDD report, "Foreign Press Reports on International Trade and Shipping" is discontinued with [redacted]. The information it contained will be incorporated in the new report, except for information on smuggling not involving a Bloc country which will be carried in an appropriate area report or by FDD notes.

5. Data for the first issue will be submitted to the Editorial Section 29 June 1959. Thereafter, it will be published monthly and copy will be submitted to Editorial the second Wednesday of each month beginning with August.

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J. J. BAGWELL
Chief, Foreign Documents Division

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"EXTERNAL ECONOMIC RELATIONS OF BLOC COUNTRIES"

I. Scope

A. This report will contain information on the foreign trade and economic relations of all Sino-Soviet Bloc Countries, including both those between the members of the Bloc and those between the Bloc and non-Bloc countries.

II. Subject Content

A. The following major categories of information are to be included: Institutional Framework, Operations, International Financial Policy and Practice; and Bloc International Economic Theory and Ideology. The types of information to be included under each are as follows:

1. "Institutional Framework"

a. the structure, staff, and functions of the foreign trade apparatus of the individual Bloc countries.

b. CEMA (Council of Mutual Economic Assistance) organization and functions, especially with respect to planning, cooperation and integration.

2. "Operations"

a. trade agreements

b. commodity trade: descriptive, analytical, and statistical including volume, value, composition and direction of commodity trade in aggregate terms and specific commodity shipments

c. assistance programs and economic penetration designed for:

- 1) bloc
- 2) underdeveloped countries
- 3) industrialized countries

(This is to include the reactions of the countries involved to Bloc assistance, trade and penetration.)

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3. "International Financial Policy and Practice"

- a. pricing of exports and imports
- b. size and terms of credits
- c. settlement and clearing procedures
- d. international reserves
 - 1) gold
 - 2) foreign exchange

4. "Bloc International Economics: Theory and Ideology"

- a. This is to include, among others, topics such as theoretical and policy articles on the economic effectiveness of foreign trade; the existence of dual world markets and the competition between them; the basis and economic advantages of trade; convertibility of currencies; and inter-country comparisons of productivity and purchasing power.

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